



CONFIDENTIAL

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7. Czechoslovakia is exporting furniture to Hungary. This is in the nature of a surprise, since the Hungarian industry at Ujpest was one of the largest and best in Europe, but has been struggling with raw materials difficulties. Hungary is also receiving from Czechoslovakia hydraulic paper-cutting machines and a new type of shoemaking machine.
8. Imports to Hungary from the USSR consist particularly of raw materials to be worked up for Soviet account. The whole Hungarian technical industry has been working in this fashion for the Soviets. The firms chiefly involved are Kistex, Budakalászi Textilművek and Obucal Goldberger. The USSR has sent very large quantities of low grade cotton in this fashion, which could not be handled in the modern Hungarian factories until mixed with long-staple cotton. The cotton has to be purchased with Hungarian industrial goods. Textile scrap is also purchased in Austria and Italy for mixing. All the finished products go to the USSR particularly to the Ukraine.

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14. László Gorove, now living in Paris, has been engaged in the illegal gold traffic for some time.

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